

Washington, DC -- Less than a week before Memorial Day, U.S. Representative Michael A. Arcuri (D-Utica) joined a bipartisan majority in the U.S. House of Representatives yesterday to provide permanent tax relief for military families and expand homeownership opportunities for veterans.

“As we honor our veterans and service members this Memorial Day with tributes and ceremonies, we must also take action in Congress to provide for the brave men and women – and their families - who have sacrificed so much for our freedom,” **said Arcuri**. “As mothers and fathers, sisters and brothers serve around the world to keep us safe – we must do all we can to provide for their families here at home. This bill is one step to provide military families and veterans across the country with critical economic security. Coming from a family of veterans, I am proud to be part of a Congress committed to providing for our nation’s veterans and service members.”

Yesterday, the House of Representatives passed the bipartisan Heroes Earnings Assistance and Relief Tax (HEART) Act, H.R. 6081, which would make permanent essential tax relief for military families, including tax relief under the Earned Income Tax Credit; provide incentives to make sure that reservists called up for active duty do not suffer a pay cut; clarify the availability of recovery rebates for military families; and expand homeownership opportunities for veterans.

The HEART Act includes \$2 billion in tax relief for military families to alleviate the toll of extended military deployments to Iraq and Afghanistan that have created significant economic hardships for many of our local military families. H.R. 6081 is expected to be sent to the President by Memorial Day.

The bill makes permanent critical IRS provisions to relieve economic hardships for military families, including provisions to:

- *permit active duty reservists to make penalty-free withdrawals from retirement plans;
- *permit an employer to make contributions to a qualified retirement plan on behalf of an employee killed or disabled in combat;
- *count extra pay for active duty military personnel from their previous civilian employer for retirement purposes; and
- *permit recipients of military death benefit gratuities to roll over the amounts received, tax-free, to a Roth IRA or an Education Savings Account, among others.

H.R. 6081 would also:

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Make tax relief for families of soldiers in combat under the EITC permanent. The bill makes permanent current law to include combat pay as earned income for purposes of the Earned Income Tax Credit (EITC).

- Provide a tax credit of up to \$4,000 for small businesses who continue to pay their National Guard and Reserve employees when they are called up to serve. According to a DOD survey, 55 percent of married Guard members and reservists suffer a loss of income when being called to active duty.

- Make thousands of veterans eligible for low-interest loans by making changes to the qualified mortgage bond programs used to help veterans achieve homeownership.

H.R. 6081 is supported by the American Legion, National Military Family Association, National Association of State Departments of Veterans Affairs, and the Blinded Veterans Association.

Last week, the House also passed, with Arcuri's strong support, legislation to create a new GI Bill that restores full, four-year college scholarships for Iraq and Afghanistan veterans – on a par with the educational benefits available after World War II. The bill will make Iraq and Afghanistan veterans part of an American economic recovery, just as the veterans of World War II helped grow and strengthen the American middle class.

Under the new GI bill, service members returning from Iraq or Afghanistan, who have served 3 years on active duty, would receive benefits to cover the costs of a four-year education up to the level of the most expensive in-state public school.

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